

IRM PROCEDURAL UPDATE

DATE: 12/16/2016

NUMBER: wi-21-1216-1753

SUBJECT: Taxpayer Authentication PIN; Updated Tax Rates

AFFECTED IRM(s)/SUBSECTION(s): 21.7.8

CHANGE(s):

IRM 21.7.8.3.1 Added paragraph to provide guidance for Accounts Management to be able to use the Transfer PIN to Excise and provide guidance for Excise employees on how to receive the Transfer PIN.

1. Centralized Excise inquiries received by Accounts Management (AM) Customer Service Representatives (CSR) are considered out of scope. The CSR may prepare a referral (IRM 21.3.5, *Taxpayer Inquiry Referrals Form 4442*) or transfer the call as follows:

NOTE: Sites that have the Infrastructure Upgrade Project (IUP) numbers should use the four-digit number to transfer calls.

| If ... | Then ... |
|---|---|
| Tax Law issues relating to Excise taxes | See IRM 21.1.1.6, <i>Customer Service Representative (CSR) Duties</i> , for new tax law procedures. |
| Installment Agreement/Reinstatement | Transfer #92089 |
| Account issues related to Excise taxes | Transfer #90284 IUP #3021 NOTE: Advise the caller that you are going to attempt to transfer the call to the Excise toll-free number and provide the number, 1-866-699-4096, to the caller. If the call does not go through, they can dial that number directly (See hours of operation in paragraph (4) below). CAUTION: If you misroute a |

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| | call to Excise, they cannot transfer the caller to another number. They must instruct the taxpayer to hang up and dial the correct area. Excise cannot transfer calls. |
| Tax Law issues relating to Affordable Care Act (ACA) Excise Tax, Indoor Tanning Services, Medical Device, and Patient-Centered Outcomes Research (PCOR) Trust Fund Fee | Transfer #92113 IUP #1113 |

- Centralized Excise Operations at the Cincinnati Campus cannot answer payment installment inquiries or initiate installment agreements (Status 60 accounts). Route installment agreement calls to A-92030.

NOTE: Do not send the Form 2290 filer a stamped Schedule 1 after the first installment agreement payment. The tax must be paid in full before a stamped Schedule 1 can be issued to the taxpayer. All Schedule 1 requests must be referred to the Excise Operations for consideration.

- Before disclosing any tax information, you must be sure you are speaking with the taxpayer or authorized representative. See the Taxpayer Authentication guidelines in IRM 21.1.3.2, *General Disclosure Guidelines*. Also, before leaving any messages on a taxpayer's answering machine, review IRM 11.3.2.6, *Methods for Communications of Confidential Information*. Fax procedures contained in IRM 11.3.1.11, *Facsimile Transmission of Tax Information*, must be reviewed prior to faxing confidential information to the taxpayer.
- The Excise Operation phone numbers are listed below:

| If taxpayer is calling from: | Then they may call this number: |
|-------------------------------------|--|
| The United States | 1-866-699-4096 (toll-free) |
| Canada or Mexico | 1-859-669-5733 (not toll-free) |

NOTE: The hours of operation are Monday through Friday, 8:00 a.m. to 6:00 p.m. EST. Calls cannot be transferred to Centralized Excise at any other time. **Customers cannot leave a message.**

- An AM CSR may transfer a misapplied payment to a Form 2290 account (Master File Tax Account (MFT) 60). If a misapplied payment is transferred out of a MFT 60 module without a TC 150, the CSR must check the account filing requirements with Command Code (CC) ENMOD or CC INOLE. If it is determined that the misapplied payment erroneously opened a Form 2290 filing requirement, remove the filing requirement. If the CSR is unable to determine whether the filing requirement should be removed from the

account, route the inquiry to Excise Operations.

6. Calls may be transferred from AM to the Excise Operation using the Transfer Pin Program. Refer to IRM 21.1.3.2.6, *Accepting Transferred Calls When the Taxpayer Provides a 4 Digit Transfer PIN*, for additional information.

IRM 21.7.8.4.1.4.3(2) Updated segment tax rates in the first and second bullets.

2. There are three IRS Nos. for air transportation taxes:
 - o IRS No. 26 is for transportation of persons by air. The rate of tax is 7.5 percent of the amount paid for this air transportation plus a domestic segment tax of \$4.10 per segment that begins on or after January 1, 2017.
 - o IRS No. 27 is for use of international air travel facilities. Beginning January 1, 2017, the rate is \$18.00 per person for flights that begin or end in the United States. The rate for departure of interstate flights that begin or end in Alaska or Hawaii, is \$9.00 per person.
 - o IRS No. 28 is for transportation of property by air. The rate of tax is 6.25 percent of the amount paid for this air transportation.

IRM 21.7.8.4.1.5.2(8) Updated tax rates for arrow shafts.

1. IRC section 4161 imposes the following taxes on the manufacturer, producer, or importer:

| Type of Tax | IRS No. | Tax Rate |
|---|---------|---|
| Sport fishing equipment (other than fishing rods and fishing poles) includes reels, fly fishing lines and other fishing lines not over 130 pounds test, fishing spears, spear guns, and spear tips. See Publication 510, <i>Excise Tax</i> , for a complete list. | 41 | Ten percent (.10) of the sale price. |
| Fishing Rods and fishing poles (and component parts) | 110 | Ten percent (.10) of sales price with a maximum tax rate of \$10 per article. |
| Electric outboard motors | 42 | Three percent (.03) of the sales price. |
| Fishing tackle boxes | 114 | Three percent (.03) of the sale price. |
| Bows, quivers, broadheads, | 44 | Eleven percent (.11) tax is |

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| and points | | imposed only on bows having a peak draw weight of 30 pounds or more. Tax is also imposed on the sale of any part or accessory suitable for inclusion in, or attachment to, a taxable bow and any quiver, broadheads, or point suitable for use with arrows. |
| Arrow shafts | 106 | Fifty cents (\$0.50) tax per arrow shaft is imposed if the arrow shaft measures 18 inches or more in overall length, or measures less than 18 inches in overall length but is suitable for use with a taxable bow. |

NOTE: After October 3, 2008, the tax does not apply to any shaft made of all natural wood with no laminations or artificial means of enhancing the spine of the shaft (whether sold separately or incorporated as part of a finished or unfinished product) and used in the manufacture of any arrow which, after its assembly, meets both of the following conditions:

- It measures 5/16 of an inch or less in diameter
- It is not suitable for use with a taxable bow, described in the table above

2. Input adjustments with a TC 29X on MFT 03 using appropriate IRS No.

IRM 21.7.8.4.1.6.4(8) Updated tax rates for arrow shafts.

8. In addition to other claims reported on line 15 of Form 720 Schedule C, claims relating to the taxes listed in the table below may also be claimed on lines 15(i) thru 15(k). The taxpayer must include:
- A detailed description of the claim
 - Any additional information required by the regulations
 - The amount of the claim
 - How the claim amount was figured
 - Any other information to support the claim

| Tax | CRN | Correlating IRS No. |
|--|-----|---|
| Ozone-depleting chemicals (ODCs) | 398 | 98 (Tax figured on Form 6627) |
| Oil spill liability | 349 | 18 and 21 (Tax figured on Form 6627) |
| Truck, trailer, and semitrailer chassis and bodies, and tractors | 383 | 33 (Tax figured on 12 percent of sales price) |
| Gas guzzler automobiles | 340 | 40 (Tax figured on Form |

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| | | 6197, could be one time filer.) |
| Vaccines | 397 | 97 |
| Sport fishing equipment | 341 | 41 (Tax is 10 percent of sales price) |
| Fishing rods and fishing poles | 308 | 110 (Tax is 3 percent of sales price) |
| Fishing tackle boxes | 387 | 114 (Tax is 3 percent of sales price) |
| Electronic outboard motors | 342 | 42 (Tax is 3 percent of sales price) |
| Bows, quivers, broadheads, and points | 344 | 44 (Tax is 11 percent of sales price) |
| Arrow shafts | 389 | 106 (Tax is \$.50 per shaft) |